

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL MEMORANDUM

HB 1285 – SB 1749

April 21, 2009

SUMMARY OF AMENDMENTS (005547, 006521): Amendment 005547 deletes the language of the original bill; authorizes retired state employees or retired employees of the University of Tennessee and the state university and community college system, who meet criteria specified in Tenn. Code Ann. § 8-27-205, to participate as a retiree in the dental insurance plan; authorizes adjustments of monthly plan premiums pending final approval of the State Insurance Committee. Amendment 006521 adds a provision stating that any one-time start up costs to administer this program shall be paid solely by the participant.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$16,000/One-Time

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

**Increase State Revenue –
\$16,000/One-Time/Earmarked for EDISON modifications**

**Increase State Expenditures –
\$16,000/One-Time/Expended for EDISON modifications**

Assumptions applied to amendments:

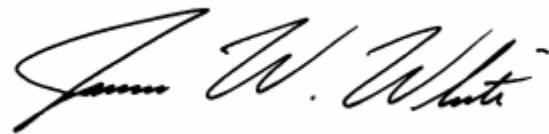
- There will be \$16,000 of one-time state expenditures required for modifications to the EDISON system as a result of this bill.
- Participation fees in addition to premiums will be required of participating enrollees in order to recover the \$16,000 of one-time state expenditures.
- Participation fees are only charged until such one-time state expenditures are paid for in full.

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- Participation fees are earmarked for the required modifications to the EDISON system.
- According to the Department of Finance and Administration, as many as 7,000 retired state employees could be eligible to participate in the state's optional dental insurance plan as a result of this bill.
- If 100 percent of eligible retirees elect to participate, a participation fee of \$0.20 per month for approximately 12 months would be required to recover the one-time state expenditures associated with this bill.
- If only five percent of eligible retirees (350) elect to participate, a participation fee of \$3.81 per month for approximately 12 months would be required to recover the one-time state expenditures associated with this bill.
- Electing retirees do not consider participation fees as being prohibitive when considering whether to participate in the state's optional dental insurance plan.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/rnc